

NATIONAL RECOVERY ADMINISTRATION

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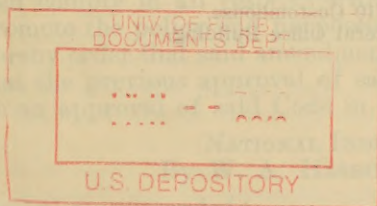
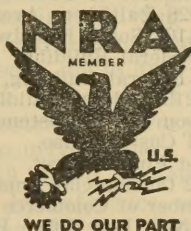
AMENDMENT TO SUPPLEMENTARY  
CODE OF FAIR COMPETITION

FOR THE

COTTON CONVERTING  
INDUSTRY

(A Division of the Cotton Textile Industry)

AS APPROVED ON DECEMBER 27, 1934



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1935

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Approved Code No. 1A—Amendment No. 1

## AMENDMENT TO SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

### COTTON CONVERTING INDUSTRY

As Approved on December 27, 1934

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#### ORDER

#### APPROVING AMENDMENT OF SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE COTTON TEXTILE INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of an amendment to a Supplementary Code of Fair Competition for the Cotton Textile Industry, and hearings having been duly held thereon and the annexed report on said amendment, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise, does hereby incorporate, by reference, said annexed report and does find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended.

NATIONAL INDUSTRIAL RECOVERY BOARD,  
By W. A. HARRIMAN, *Administrative Officer*.

Approval recommended:

PRENTISS L. COONLEY,  
*Acting Division Administrator.*

WASHINGTON, D. C.,  
*December 27, 1934.*

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(1)



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: This is a report on a public hearing on an amendment to the Supplementary Code of Fair Competition for the Cotton Textile Industry held on September 28, 1934, in Room 2066, Department of Commerce Building, Washington, D. C. The amendment which is attached was presented by duly authorized representatives of the Industry, complying with statutory requirements and being the same agency that originally submitted the Code.

In accordance with customary procedure every person who had filed a request for appearance was freely heard in public and all statutory and regulatory requirements were complied with.

The following is a résumé of the amendment:

The change in Article III extends the scope of definitions to include two new Divisions.

The change in Division 1, Section V provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 2, Section V provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 3, Section 2, establishes delivery terms.

Division 3, Section 6 provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 4, Section 5 provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 4, Section 8 prohibits options.

Division 5, Section 7 provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 6, Section 6, provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 7, Section 3, provides that certain activities of the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

Division 8 is a new division added to the Code.

Section 1 establishes maximum terms of sale.

Section 2 defines conditions relative to deliveries.

Section 3 defines city of origin.

Section 4 prohibits advertising allowances.

Section 5 prohibits options.

Section 6 conditionally prohibits consignments.

Section 7 prohibits stock protection or stock guarantees.

Section 8 prohibits transaction of business on Saturdays and Sundays.

Division 9 establishes a new division of the Industry.

Section 1 establishes maximum terms of sale.

Section 2 defines delivery terms.

Section 3 defines city of origin.

Section 4 establishes rules concerning sample requirements.

Section 5 prohibits advertising allowances.

Section 6 prohibits options.

Section 7 provides for uniform sales contract.

Section 8 concerns contracts for future delivery.

Section 9 prohibits stock protection or price guarantees.

Section 10 conditionally prohibits consignment.

Section 11 prohibits the transaction of business on Saturdays and Sundays.

#### FINDINGS

The Deputy Administrator in his final report to the National Industrial Recovery Board on said amendment to said Code having found as hereinafter set forth on the basis of all the proceedings in this matter;

The National Industrial Recovery Board finds that:

(a) The amendment to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving the standards of labor and by otherwise rehabilitating industry;

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof;

(c) The Code empowers the Code Authority to present the aforesaid amendment on behalf of the Industry as a whole.

(d) The amendment and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendment and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendment.

For these reasons this amendment has been approved.

For the National Industrial Recovery Board:

W. A. HARRIMAN,  
*Administrative Officer.*

DECEMBER 27, 1934.



# AMENDMENT TO SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE COTTON CONVERTING INDUSTRY

## A DIVISION OF THE COTTON TEXTILE INDUSTRY

### SECTION III

Delete the first sentence of Section III and substitute therefor the following:

"There shall be constituted at this time in this branch of the Industry the following divisions of finished goods, the precise scope of these divisions being further defined in Section V hereof:

1. Clothiers' Linings (other than all-cotton).
2. Corset, Brassiere, and Allied Trades Fabrics.
3. All-Cotton Clothing Linings.
4. Curtain and Drapery Fabrics.
5. Shirlings.
6. Wash Goods.
7. Interlinings.
8. Bleached Goods.
9. Cotton Linings, for all purposes not otherwise provided."

### DIVISION 1

SECTION 5. Substitute comma for period at end of last sentence in Section 5 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

### DIVISION 2

SECTION 5. Substitute comma for period at end of last sentence in Section 5 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

### DIVISION 3

SECTIONS 2 and 6. Strike out Section 2 and add a new Section as follows:

"2. *Deliveries*.—All goods shall be sold f. o. b. mill or main warehouse, provided the location of such main warehouse shall be registered with the Textile Fabrics Association, and provided further that goods may be delivered without charge to the first common carrier (transportation agency) or to customer if located within the city limits of registered main warehouse."

SECTION 6. Substitute comma for period at end of last sentence of Section 6 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

#### DIVISION 4

SECTIONS 5 and 8. Substitute comma for period at end of last sentence in Section 5 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

Add a new Section 8 as follows:

"8. *Options*.—No options shall be given."

#### DIVISION 5

SECTION 7. Substitute comma for period at end of last sentence in Section 7 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

#### DIVISION 6

SECTION 6. Substitute comma for period at end of last sentence in Section 6 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

#### DIVISION 7

SECTION 3. Substitute comma for period at end of last sentence in Section 3 and add the following: "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

Add a new Division 8 to Section V of the Supplementary Code as follows:

### DIVISION 8—BLEACHED GOODS

#### DEFINITION

The products included in this Division are those cloths commonly known as bleached goods, consisting of Nainsooks, Long Cloths, Muslins and Cambrics, finished from print cloth or other constructions, in carded or combed yarns, and Pajama Checks, Lingerie Cloths, Handkerchief Cloths and Underwear Fabrics, in white or tint finishes, sold to cutters, wholesalers, chain stores, retailers, catalogue and/or mail order houses.

#### TRADE PRACTICES

1. Terms of Sale shall not exceed 2%—10 days, 60 extra, or 2½%—10 days, 30 extra; or 3% C. O. D., or 3%—10 days, effective from date of invoice or shipment, whichever is earlier; no extra



dating to be allowed. Interest shall be charged at the rate of 6% per annum on all past due accounts, such charge starting at maturity of bill. Anticipation may be allowed at a rate not to exceed 6% per annum.

2. *Deliveries*.—All goods shall be sold f. o. b. city of origin, with the exception of goods sold to retailers (not including chain stores) which shall be sold f. o. b. city of origin or main warehouse registered with the Textile Fabrics Association, and provided further that goods sold to retailers (not including chain stores) may be delivered without charge to the first common carrier (transportation agency) or to store, if such store be located within the city limits of registered main warehouse.

3. In the case of shipments from finished stock carried in New York City, the city of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

4. *Advertising Allowances*.—Fabric demonstration, or allowances therefor, or advertising allowances in any form, shall be prohibited.

5. *Options*.—No options shall be given.

6. *Consignments*.—No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section, subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board.

7. No stock protection or price guarantee shall be given.

8. *Saturday Closing*.—Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

Amend Section V of the Supplementary Code by adding a new Division 9 as follows:

#### **DIVISION 9—COTTON LININGS FOR ALL PURPOSES NOT OTHERWISE PROVIDED**

##### **DEFINITION**

The products included in this Division are cotton linings sold for use for all purposes not otherwise provided for in this Supplementary Code, including those sold for use in the manufacture of Dresses, Hats, Caps, Draperies, Furniture, Pocket-books, Neckwear, Millinery, Bias Bindings, Comfortables and Luggage, including those same fabrics when sold to other cutting trades and/or wholesalers, retailers, chain stores and/or mail order distributors.

##### **TRADE PRACTICES**

1. Terms of sale shall not exceed 2%—10 days, 60 extra, or 2½%—10 days, 30 extra, or 3%—10 days or 3%—C. O. D., effective from date of invoice or shipment, whichever is earlier; no extra dating shall be allowed. Anticipation shall be charged at legal rate of interest. Past due payments shall carry interest at legal rate from date of maturity.



2. *Deliveries.*—All goods shall be sold f. o. b. city of origin, with the exception of goods sold to retailers (not including chain stores) which shall be sold f. o. b. city of origin or main warehouse registered with the Textile Fabrics Association, and provided further that goods sold to retailers (not including chain stores) may be delivered without charge to the first common carrier (transportation agency) or to store, if such store be located within the city limits of registered main warehouse.

3. In the case of shipments from finished stock carried in New York City, the city of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

4. *Sample Requirements.*—All sample requirements furnished jobbers, catalog houses, chain stores and manufacturers, shall be charged at full cost, calculating fabric furnished at sales price. Reference sets not to exceed three in number to any one customer may be furnished free of charge on request.

5. *Advertising Allowances.*—Fabric demonstration or allowances therefor or advertising allowances in any form whatsoever are prohibited.

6. *Options.*—No options shall be given.

7. *Uniform Sales Contract.*—A form of sales note recommended by the Divisional Committee and the Administrative Committee and approved by the Code Authority and the National Industrial Recovery Board shall be used and adhered to on all sales for future delivery.

8. Contracts for future delivery shall not be taken for a period exceeding five (5) months from date of original order. In cases where enforcement of this provision in the opinion of any member will work a hardship on any customer, a further extension of thirty (30) days may be granted on application, and after approval by the Divisional Committee.

9. No stock protection or price guarantee shall be given.

10. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section, subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board.

11. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

Approved Code No. 1A—Amendment No. 1.  
Registry No. 299-48.

1. The exception of goods sold to retailers (not including chain stores) which shall be sold to retailers of origin of main warehouse registered with the Textile Fabrics Association, and provided further that goods sold to retailers (not including chain stores) may be delivered with-  
out charge to the first common carrier (transportation agency) or to  
storehouse and warehouse within the city limits of registered main  
warehouse. Labels on the packages of goods sold to retailers in New  
York City, the city of origin of the goods, shall be marked with the  
marking plan which the goods were produced in. It shall be the duty  
of the goods manufacturer - All sample requirements furnished label  
must contain name, chain store, and manufacturer shall be changed  
on all cost, including label furnished at sale price. Labels  
may not be used more than three times to any one manufacturer in the  
United States of America on request of the manufacturer.

2. The goods manufacturer shall be responsible for the following  
thereof or advertising allowances to any person, manufacturer, or  
prohibitions on the use of any label or trademark. The goods  
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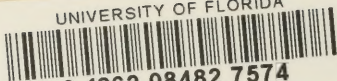








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